Caruso & Co. M&A Report

2025 Edition

Quick Lube / Oil Change Vertical

C&C

The Automotive Investment Bank

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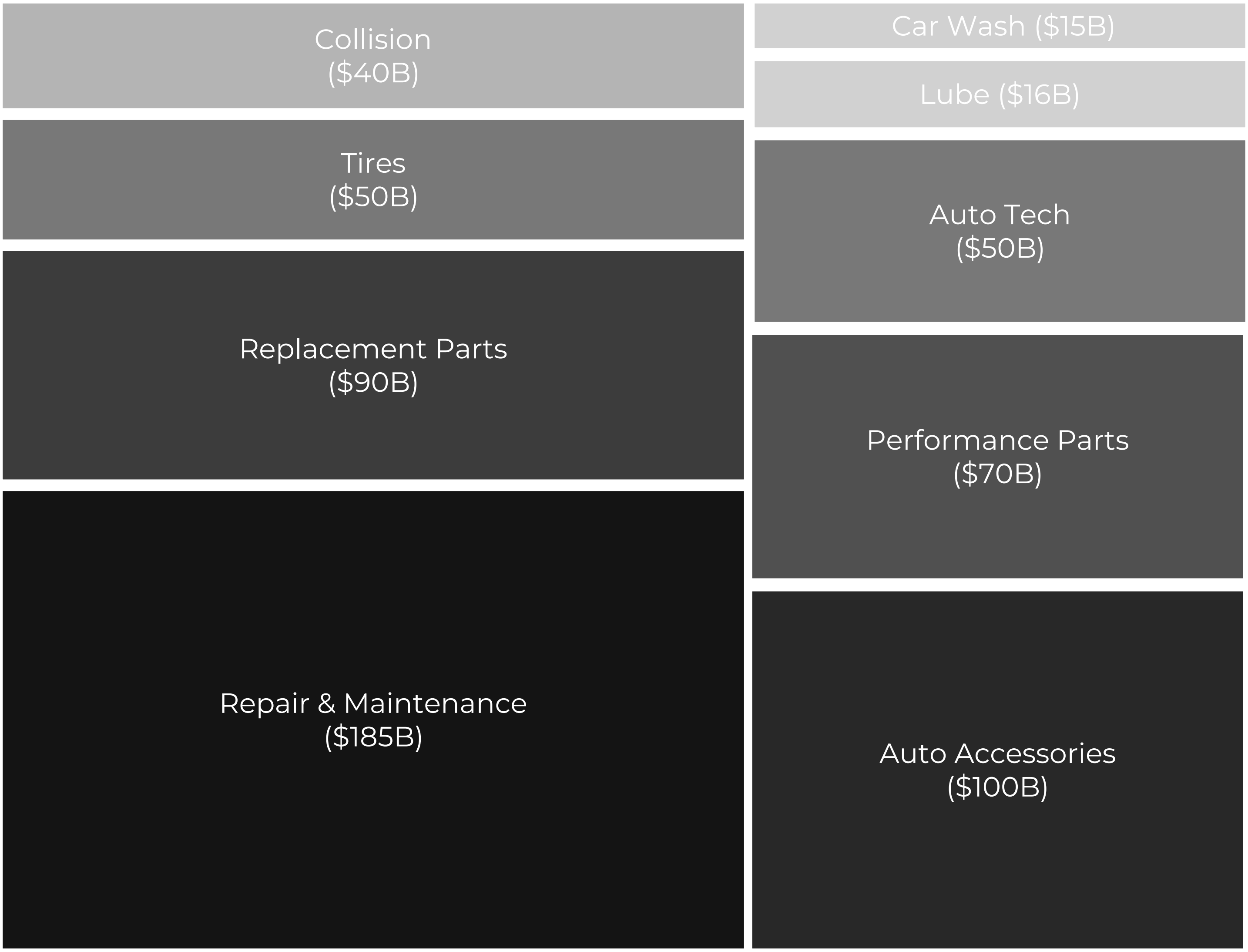
INDUSTRY OVERVIEW

AUTOMOTIVE RETAIL & SERVICES ECOSYSTEM

U.S. Market Structure by Vertical ($B)



Box size reflects relative share of U.S. automotive retail & services spend

The U.S. automotive retail & services ecosystem is approaching $2 trillion in annual spend, excluding new franchised dealers, used vehicle retail and fleet services. The market is anchored by structurally recurring maintenance and repair demand, with the average vertical representing approximately $70B in annual revenue and growing steadily.

While technological disruption narratives persist – particularly around AI, electrification and autonomous technologies – most service verticals remain insulated over the medium to long term by physical infrastructure, regulatory friction and embedded consumer behavior.

Caruso & Co. focuses on vertically resilient segments with durable cash flows, fragmentation-driven consolidation and defensible unit economics – where strategic and financial capital continues to concentrate.

Source: IBISWorld, Statista, Yahoo Finance.

KEY INDUSTRY THEMES

ACROSS THE VERTICALS

Despite macro uncertainty, structurally recurring automotive service demand continues to underpin long-term investment activity across most verticals

Tariffs

- Rising tariffs on imported parts, chemicals and equipment, combined with lingering supply-chain volatility, are increasing COGS and compressing margins across several verticals
- Distributors and operators are shifting toward domestic suppliers to mitigate risk, though price increases are still flowing to end customers
- Equipment-heavy sectors (car wash, collision, parts) are seeing elongated build timelines and higher capex, reinforcing the pivot toward optimizing existing locations as opposed to growth via de novo green fields and acquisitions
- **2026 Outlook*: We anticipate no material change in the impact of tariffs on the broader automotive retail & services sector in 2026***

Electric Vehicles

- Tepid EV adoption rates have benefited the traditional aftermarket – aging ICE vehicles are staying on the road longer, supporting demand for service, maintenance and accessories
- Many OEMs have shifted away from pure EV strategies to hybrids and a balanced long-term powertrain mix, giving consumers more options
- The EV tax credit expiration and the California EV mandate ban offers increased optimism for the aftermarket industry
- **2026 Outlook*: We anticipate no change in EV related trends in 2026***

Consolidation

- Each automotive vertical is currently at a different location in their respective consolidation curve, but several key themes are largely applicable across most automotive verticals
- Consolidation remains active but more disciplined across most automotive verticals
- More so now than recent years, targeted add-ons are driven by operational synergies and market densification
- **2026 Outlook*: We expect consolidation activity to remain active, though increasingly vertical-specific and uneven across the landscape***

Interest Rates

- Higher interest rates has suppressed deal volume, pushing groups to focus on improving same-store growth metrics and unit economics
- Elevated rates have accelerated valuation bifurcation—top-tier assets with predictable cash flows continue to command premium multiples, while underperforming or turnaround opportunities face wider bid-ask spreads
- Rate cut expectations have many standing on the sidelines waiting in anticipation for more favorable environments
- **2026 Outlook*: We anticipate 2026 will unlock a meaningful release of pent-up capital and transaction appetite that has been building in anticipation of a more accommodative rate environment.***

ACTIVE FINANCIAL SPONSORS

PRIVATE EQUITY'S INDUSTRY INVOLVEMENT

Private equity participation has accelerated consolidation, professionalization and capital formation across the automotive services landscape

- The automotive retail & services industry has become a true staple for many of the most active, well-recognized and highest-performing private equity firms
- The select groups below have a median portfolio allocation of **~15%** in the industry
- Many consolidators in the industry have portfolio companies that work across the several verticals, with some offering multi-brand service networks to boost client retention, limit downside factors and improve profitability

Collision	Quick Lube	Tires	Auto Tech	Repair & Maintenance	Parts & Accessories	Car Wash	Dealerships

Sponsor	Auto Verticals	Investments[1]	Auto Focus[2]
Franchise Equity Partners	Collision, Quick Lube, Repair & Maintenance, Parts & Accessories, Car Wash, Dealerships	Valvoline; Georgica Auto Holdings; Parks Automotive Group	36%
Kinderhook Industries	Collision, Quick Lube, Tires, Auto Tech, Repair & Maintenance, Parts & Accessories	Kaizen Collision Center; Repairify; Greatwater 360 Auto Care; Bestop	35%
Greenbriar	Collision, Quick Lube, Tires, Repair & Maintenance, Parts & Accessories, Dealerships	Vive Collision; SunAuto Tire & Service; breeze; Jegs; Randys; Morgan Automotive Group	27%
ONCAP	Collision, Quick Lube, Tires, Auto Tech, Parts & Accessories, Car Wash	CSN Collision; Caliber Collision; Data Driven Holdings; AutoSavvy; Mavis Tires & Brakes; Mister	17%
Roark	Collision, Quick Lube, Tires, Repair & Maintenance, Parts & Accessories, Car Wash	Driven Brands	13%
TSG Consumer	Collision, Quick Lube, Tires, Parts & Accessories, Car Wash	Joe Hudson's Collision Center; Super Star Car Wash; Mavis Tires & Brakes; Powerstop www.powerstop.com	26%
MidOcean Partners	Quick Lube, Tires, Repair & Maintenance, Parts & Accessories, Car Wash	FullSpeed Automotive; Arnott Suspension Products; Holley	18%
Bain Capital	Collision, Tires, Repair & Maintenance, Parts & Accessories, Dealerships	DealerTire; OpenRoad Capital	9%

(1) Includes both active and realized portfolio company investments.
(2) Automotive allocation based on active portfolio company count.

ACTIVE FINANCIAL SPONSORS

PRIVATE EQUITY'S INDUSTRY INVOLVEMENT

Sponsor	Auto Verticals	Investments[1]	Auto Focus[2]
LGP Leonard Green & Partners		Caliber Collision, SunAuto Tire & Service, Mister	5%
Stellex Capital Management		Fenix Parts, Dennis & Co.	21%
Percheron Capital		CB, Caliber Car Wash	18%
CSP Garnett Station Partners		GoodTurn Tire & Auto, Flagstop Car Wash, WOW Carwash	13%
SGE		Quality Collision Group, tekmetric, Tint World, LUV	13%
Audax Group		Dobbs Tire & Auto Centers, APC Automotive Technologies, Centric Parts, Wheel Pros, AAMP	6%
TRP		Driving Force, Lifted Trucks, Jax	57%
Hellman & Friedman		Caliber Collision, AutoScout24, Safe-Guard Products International	14%
Golden Gate Capital		Mavis Tires & Brakes, Tidal Wave Auto Spa	11%
Clearlake		Crash Champions, IXS Coatings, TerrePower	7%
TPG		Classic Collision, FleetPride, Transplace	6%
Princeton Equity Group		SB, Trademark Car Wash	6%

(1) Includes both active and realized portfolio company investments.
(2) Automotive allocation based on active portfolio company count.

2025 M&A TRANSACTIONS

SELECT SIZEABLE TRANSACTIONS OF THE YEAR

These transactions collectively highlight accelerating consolidation, valuation bifurcation and the continued prioritization of scaled, branded automotive service platforms

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April 2025

Whistle Express Car Wash / Oaktree ACQUIRES Take 5 FROM Driven Brands

$385M; ~383 sites

- This major divestiture was the largest car wash transaction in U.S. history at 380+ sites and $385M
- Whistle Express has more than tripled its site count and is now 2nd largest operator
- At ~$1M per site, this acquisition is not the typical, multiple-based transaction, but a distressed sale that emphasizes the k-curve maturation and valuation bifurcation that we now see in the M&A world today

"Take 5 Car Wash is an extraordinary brand with a great team, and by combining our strengths, we're primed to transform the industry and claim our spot as the go-to car wash destination in the U.S.“

Jose Costa
Former CEO – Whistle Express

June 2025

Mavis Tires & Brakes / Baypine ACQUIRES Midas FROM TBC Corporation

~1,200 sites

- Post-transaction, Mavis operates approximately 3,500 sites, positioning the platform as the third-largest tire & service consolidator in the U.S.
- This transaction expands Mavis' offerings even more and creates one of the largest multi-brand service networks in the U.S.
- This major divestiture also allows TBC to refocus on its wholesale and distribution operations, while growing its Big O Tires franchise network

“This transaction reflects our ongoing commitment to expanding our portfolio of respected brands and establishing our presence in compelling new markets.”

David Sorbaro,
Co-CEO - Mavis

July 2025

Asbury Automotive Group ACQUIRES Herb Chambers

$1.45B; 33 dealerships

- Reaffirms the long-term trend toward mega-dealer consolidation and diversified, multi-brand portfolios
- Expansion into the Northeast, improving geographic mix and strengthening exposure to higher-margin luxury brands
- Demonstrates the valuation premium commanded by scaled platforms with strong brand equity

“This acquisition further diversifies Asbury’s geographic mix with entry into the Northeastern United States. The purchase of this flagship New England Region company is one of the most sizable in U.S. automotive retail history.”

David Hult,
President & CEO - Asbury

October 2025

The Boyd Group ACQUIRES Joe Hudson's Collision Center TSG Consumer

$1.3B; 258 sites

- Largest collision industry transaction in several years
- Clearly signals the onset of consolidation among consolidators within the collision industry
- Highlights thar further depletion of the mid-sized MSO is driving the largest to look upstream to find meaningful growth opportunities

“This marks a significant milestone for Boyd, as we accelerate our growth and solidify our position as one of the leading players in the highly fragmented North American collision industry,”

Brian Kaner,
President & CEO - Boyd

December 2025

Valvoline ACQUIRES Breeze Autocare FROM Greenbriar

$625M; 200 sites

- This acquisition positions Valvoline as the industry’s top consolidator above Jiffy Lube in terms of site count
- The reported EBITDA multiple of approximately 10.7x sits squarely within the prevailing valuation range observed over the past two years
- Mega-consolidation from Valvoline will give other PE firms like Greenbriar additional liquidity confidence, as many near the end of their holding periods

“This strategic acquisition accelerates our growth by immediately increasing the number of stores within our network and expands our customer reach. Adding their outstanding services reinforces our position as a leading provider of preventive automotive maintenance services.”

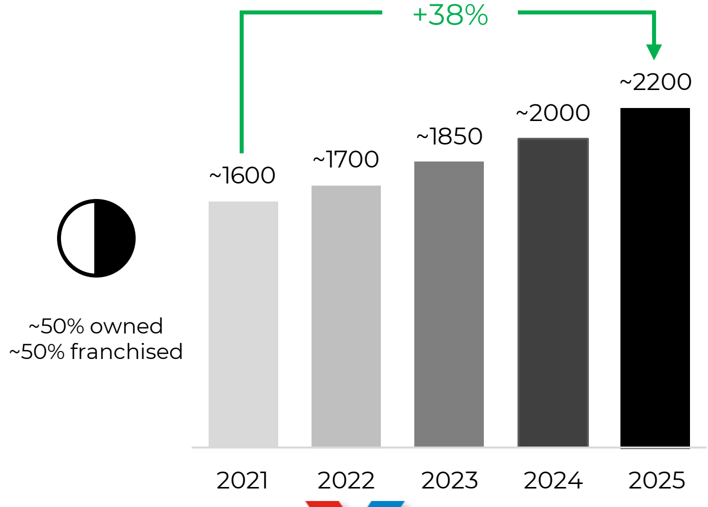
Lori Flees,
President & CEO - Valvoline

QUICK LUBE / OIL CHANGE

LARGEST OPERATOR SITE COUNT GROWTH

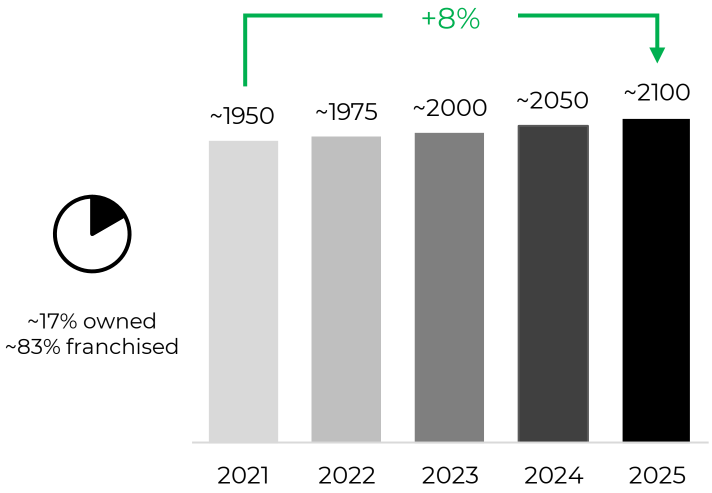
Demonstrating consolidation velocity and platform divergence

Steady, acquisition-driven expansion anchored by corporate ownership



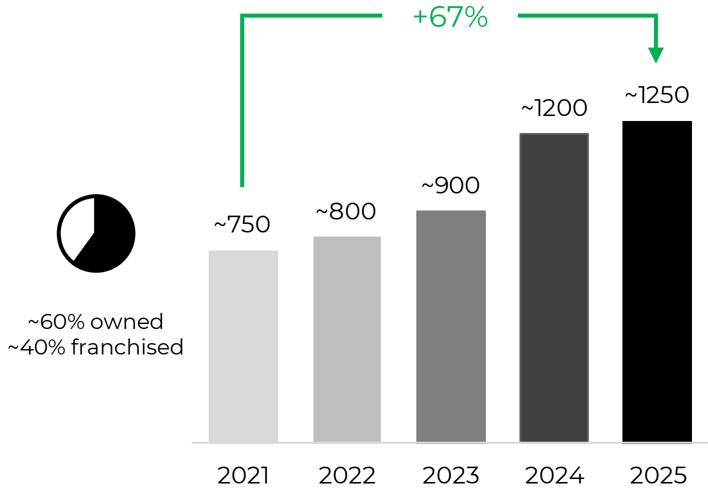
Valvoline

Franchise-led growth with accelerating unit additions



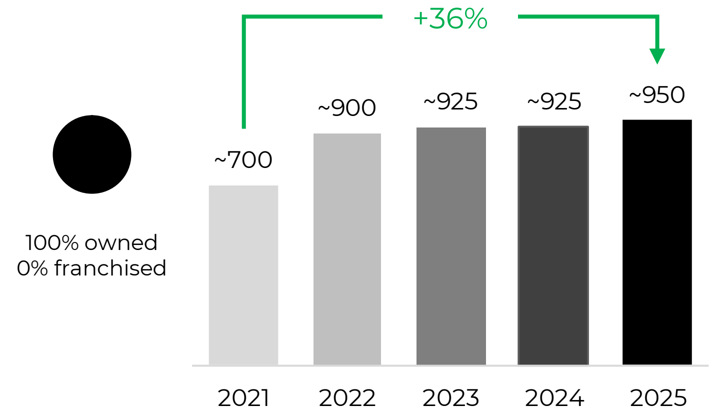
jiffy lube

Rapid consolidation driven by sponsor-backed capital deployment



Take 5 DrivenBrands

Disciplined growth emphasizing owned-store economics



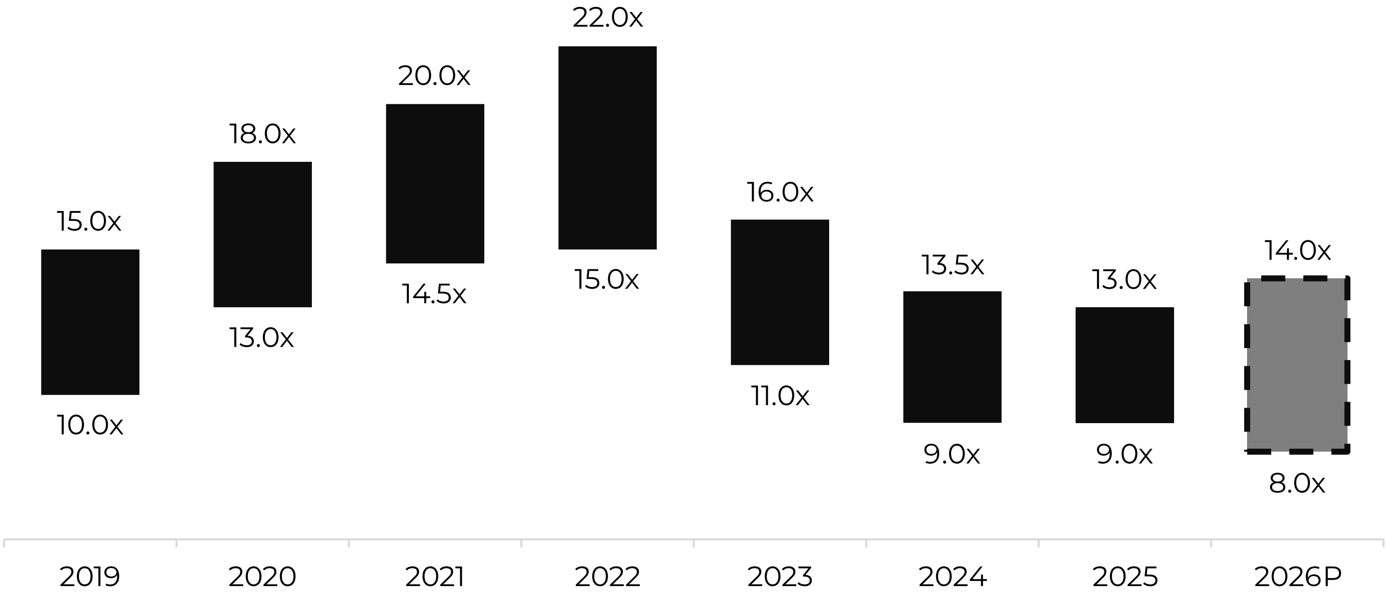
FullSpeed Automotive MidOcean Partners

Across ownership models and sponsor profiles, leading quick lube platforms have materially accelerated site growth – underscoring the sector's attractiveness as a consolidation-driven, repeat-service business

QUICK LUBE / OIL CHANGE

VALUATIONS AND SPONSOR DYNAMICS

Year-End EV/EBITDA Multiples



The combination of normalized valuations and aging sponsor portfolios suggests a constructive environment for both sellers and well-capitalized buyers over the next 12-24 months

Valuations have normalized modestly below pre-COVID levels, with a wider distribution following the sharp expansion observed during 2020–2022

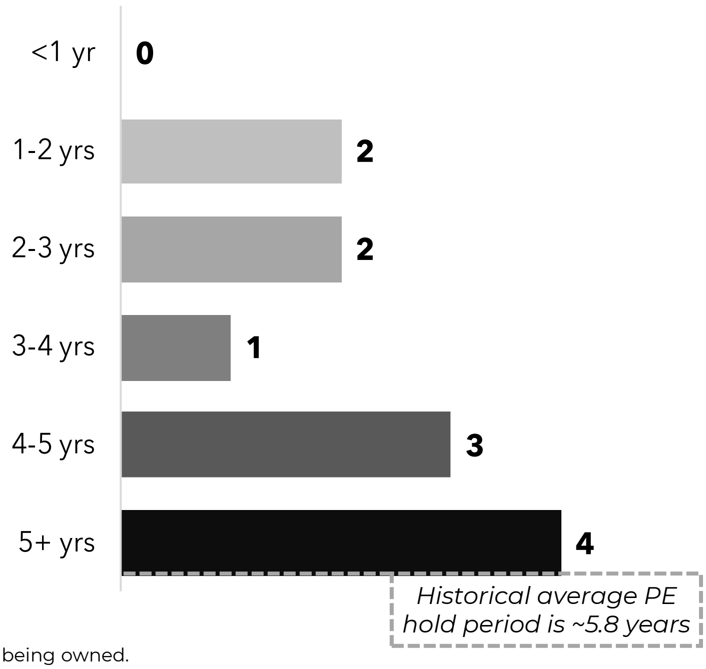
Steady demand tailwinds persist, supported by an aging vehicle fleet, rising purchase costs and slower-than-expected EV adoption

Consolidation remains active, though increasingly disciplined

Sponsor exits are increasingly approaching, with many investors now 4–6 years into their respective hold periods

Well-capitalized operators are increasingly well positioned to take advantage of normalized pricing and declining interest rates, creating attractive entry points

Current Sponsor Investment Date Distribution



(1) Multiples are based on 4-wall EBITDA and are inclusive of real estate being owned.
Source: C&C Private Transaction Data, Public Comparables.

CARUSO & CO.

THE AUTOMOTIVE INVESTMENT BANK

C&C advises on select automotive transactions in the $50–$500M enterprise value range, where complexity, discretion and buyer access matter most

13+ Years Investment Banking Experience	**$2.8B+** M&A Transaction Value	**$1.4B+** Capital Raised

Trusted Reputation – Known for representing high-quality companies and maximizing value through disciplined execution

Drive/Dedication – Lean, experienced team with an ownership mindset and relentless execution focus

Earnestness – We give sincere, expert advice and do not overpromise unobtainable and unrealistic outcomes

Strong Buyer Relationships – We know the right buyers and how to effectively market to them

Start a confidential conversation

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Caruso & Co. Podcast: Season 1

Episode 1: Car Dealership Car Washes	**Episode 2:** State of Consolidation by Private Equity in the Tire Industry	**Episode 3:** Capstan Tax Strategies Director: Sean Lichterman